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C O N F I D E N T I A L SECTION 01 OF 02 QUITO 003027

SIPDIS

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TAGS: [PGOV](#) [KCRM](#) [PINR](#) [EC](#)

SUBJECT: GOVERNMENT MINISTER POLITICAL LIGHTING ROD,
POSSIBLE ALLY ON TIP

REF: A. QUITO 2955

[1](#)B. QUITO 2959

Classified By: Ambassador Kristie A. Kenney, for reasons 1.4 (b&d).

[1](#)1. (C) Summary: Government Minister Jaime Damerval has courted controversy since taking office on November 8, recently suggesting that the GoE convoke a referendum on whether to dissolve Congress to promote constitutional reforms. In a private meeting with the DCM on November 15, Damerval backed away from his own proposal, describing it as a trial balloon which may not prosper. What seems clear is that Damerval was hired to lead the government's counter-attack against pro-impeachment forces in Congress. That effort became apparent with the organization of pro-government rallies outside Congress, where scuffles erupted between pro and anti-impeachment legislators. We have forcefully conveyed to Damerval USG support for democratic institutions, including Congress, and hope to continue USG-GoE collaboration on mutual interests, including combating trafficking in persons. Damerval responded positively, but clearly has other priorities. End Summary.

[1](#)2. (C) DCM and PolChief met with Government Minister Jaime Damerval Martinez on November 15, at our request. The DCM emphasized USG support for democratic institutions, including Congress, and emphasized the cost to Ecuador of political instability and uncertainty. We hope to continue to cooperate with the Government Ministry in areas of mutual interest, such as combating narco-trafficking and trafficking in persons, he said. The Minister has a leading role to play in these vital efforts, which we hope will continue to show progress. He suggested that Damerval name key members of his staff to maintain working-level contact with Embassy officers on these issues.

[1](#)3. (C) Damerval agreed that these are important issues which he hoped to turn to once his Ministry team was named later that week. Preoccupied by staff and budgetary constraints, Damerval nevertheless said he would personally support pending anti-TIP legislation. He said he hoped to use his term in office to promote several other reforms, including commercial code reform and privatization of the civil registry. Security is another high priority, he said, and Ecuador deserved greater support from its neighbor Colombia to handle it. He characterized the Colombian attitude towards Ecuador as "arrogant" and described Colombian President Uribe's response to President Gutierrez' recent request for economic assistance for Colombian refugees in Ecuador as "dismissive." Damerval claimed to be open to collaboration with the USG on all issues of mutual interest.

[1](#)4. (C) Turning to politics, Damerval said his proposal to seek approval by the populace to dissolve Congress already faced opposition from President Gutierrez' brother Gilmar, who had publicly stated that any constitutional reform initiatives should be handled by Congress, not through referendum. Damerval said his idea was simply to promote 3-6 key reforms, which involve further reducing the size of Congress, giving the Pacific Coastal area a greater say in national affairs, and de-politicizing the courts. Congress is naturally opposed and would never support reform, since they would reduce its influence. A referendum to dissolve Congress would not be legally binding, he said, but would provide "moral weight" in favor of reform that Congress could not ignore.

[1](#)5. (U) Several thousand pro-government indigenous evangelicals (FEINE) marched on November 16-17 to protest Congressional action against their leader, Marco Murillo. Murillo had publicly called for the dissolution of Congress when it was moving to impeach President Gutierrez, prompting one Congress member to file criminal charges against him. Protesters called for an end to the criminal investigation of Murillo, and to the Congressional hearing on November 17 to censure Minister of Social Welfare Antonio Vargas, an indigenous leader from the Amazon region and strong Gutierrez ally. Political analysts speculated that these pro-government protests were conceived or supported by the GoE, and attribute these aggressive new tactics to Damerval.

[1](#)6. (U) Meanwhile, temperatures inside the Congress were rising as the government attempted to fashion a pro-government majority and the pro-impeachment opposition courted the Socialist Party's three votes after failing on

November 9 to muster the simple majority needed to create an impeachment committee (Ref A). Inside the Congress on November 16, a scuffle broke out between pro-impeachment legislators and Gilmar Gutierrez, the president's brother. The incident was reportedly sparked by debate over President Gutierrez' announcement on November 15 that the government would aggressively pursue debtors who owed money to the public purse, including those associated with former president Leon Febres-Cordero. In response to the scuffle, PSC legislator Alfonso Harb reportedly pulled out and waved his handgun on the floor of Congress. President of Congress Landazuri later announced an investigation of Harb for his violation of Congressional etiquette.

Comment

[17.](#) (C) We concur with the view that Damerval was chosen to more aggressively counter pro-impeachment forces in Congress. However, when the impeachment effort stalled on November 9, Damerval suddenly became the wrong person for the wrong job. Oblivious to changed circumstances, he has seized on the President's reform agenda as a vehicle to counter-attack the pro-impeachment forces. The suggestion that Congress be dissolved to promote reforms is worrisome and apparently designed to get around a constitutional provision that requires majority Congressional support to call a referendum on constitutional reform. Any such move would likely threaten the government's legitimacy. We are encouraged that Damerval seemed chastened by the public rebuke of his idea by the President's brother.

[18.](#) (C) Nevertheless, we will try to work with Damerval and his appointees on essential mutual interests such as TIP and counter-narcotics, which will clearly require great effort on our part. Though it is very early to judge, we are concerned that Damerval's priorities may be elsewhere, and that he may seek new opportunities to put pro-impeachment forces on the defensive, risking further political destabilization.

Additional Bio Information (Ref B)

[19.](#) (C) According to PSC Congress member Marcelo Dotti, Damerval is motivated by personal antipathy towards Leon Febres-Cordero after losing a ten-year legal battle to the ex-president decades ago. Since that time, Dotti claims, Damerval has used his press column to virulently attack Febres-Cordero and his party interests, which led Gutierrez to select him. Dotti predicted that Damerval's personal motives and ambitions would eventually clash with the President's.

KENNEY